

**FISCAL MEMORANDUM
SB 1474 – HB 1518**

May 23, 2007

SUMMARY OF AMENDMENT (009297): Deletes the language of the original bill. This amendment eliminates the bifurcated reimbursement system, except under certain circumstances, as it relates to physical and occupational therapy.

FISCAL IMPACT OF ORIGINAL BILL:

MINIMAL

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures – Exceeds \$100,000/Risk Management Fund

Assumptions applied to amendment:

- Currently, for physical and occupational therapy, there is a bifurcated reimbursement system for independently-owned facilities and physician-affiliated facilities. Reimbursement rates for physician-affiliated facilities are lower.
- If the bifurcated system is eliminated and the rate schedule for independently-owned facilities is used for physician-affiliated facilities, there will be an increase in state expenditures from the Risk Management Fund.
- Based on past payment history for physical and occupational therapy, the increase in state expenditures from the Risk Management Fund is estimated to exceed \$100,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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